

**System Engineering and Sustainment IntgratOR
(SENSOR)**

Award Term Plan

Contractor:
XXXXXXXXXXXXXXXXXX

Contract Number: F19628-01-C-XXXX

SEPTEMBER 4, 2001

COORDINATION

Award Term Review Board Chairperson:

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Global Awareness Division
Strategic & Nuclear Deterrence System Program Office

APPROVED BY

Term Determining Official:

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1.0 INTRODUCTION

1.1 This System Engineering and Sustainment Integrator (SENSOR) Award Term Plan is an integral part of the SENSOR Incentive Program, which establishes an incentive system by which the Government will emphasize and reward superior performance on the SENSOR Contract. This plan provides the basis for evaluation of the Contractor's performance and for presenting an assessment of that performance to the Term Determining Official (TDO). The overall Award Term plan and process are integrated with the SENSOR Award Fee Plan and process to form an integrated incentive structure for this program. Therefore, the Award Term will be earned in accordance with this plan and the Integrated Incentives Clause ESC-H-1 contained in Contract Number F19628-01-C-00XX. This clause will in no way affect FAR 52.249.6 entitled "Termination (Cost – Reimbursement)." Award Term adjustments can result in a maximum contract period of 18 years and a minimum of 5 years from the contract award date. Actual Award Term determinations are unilateral decisions made solely at the discretion of the Government.

1.2 The Award Term will be provided to the Contractor through unilateral contract modifications. The Award Term earned will be determined by the TDO based upon review of the Contractor's performance against the criteria set forth in this plan. The Award Term pertains to the long range potential for the SENSOR Contractor to continue the contract for sustainment of the SENSOR Radar sites, including depot level maintenance of hardware and software, supply chain and spares management, systems engineering, technical data, and modernization projects. The Award Term evaluation criteria and determinations are applicable to the work on the contract in effect during each evaluation period. The Contractor earns Award Term performance years based on the overall accomplishment of the tasks and how those overall accomplishments contributed to the overarching contract objectives.

1.3 The Award Term Plan is subject to FAR 52.232-18, Availability of Funds.

2.0 ORGANIZATION/RESPONSIBILITIES

2.1 Term Determining Official (TDO). The System Program Director, Strategic & Nuclear Deterrence System Program Office (ESC/ND) is designated as the TDO for all SENSOR Contract Award Term decisions. The TDO will: (1) approve any significant changes to the Award Term Plan; (2) approve appointments to the Award Term Review Board (ATRB); (3) review the recommendations of the ATRB, consider all pertinent data, and determine the amount of Award Term earned for each period; (4) notify the Contractor, in writing, of the amount of Award Term points earned for each Award Term period with a description of the Contractor's strengths, areas for improvement, and what is expected in the future; and (5) authorize the Procuring Contracting Officer (PCO) to make the term adjustment.

2.2 Chairperson Award Term Review Board (ATRB). The ATRB is chaired by the Chief, Global Awareness Division (ESC/NDW) or Global Warning Division (ESC/NDB). The ATRB chairperson will: (1) review performance monitors' evaluations and consider the Contractor's assessment and recommendations, (2) analyze the Contractor's performance against the criteria set forth in Annex C, (3) provide a recommendation on the Award Term rating and amount of additional performance years earned by the Contractor, and 4) recommend changes to this plan.

2.3 Award Term Review Board Members. The membership of the ATRB is comprised of key stakeholders most concerned with the SENSOR contract performance. To identify and appoint personnel as ATRB members, the TDO will formally solicit for membership from the key stakeholder organizations. ATRB member's responsibilities include: (1) review the consolidated assessments from the Program Managers and Performance Monitors and vote on recommended ratings, (2) review the Contractor's self-assessments and factor these results into their final voting recommendations, and (3) recruit Performance Monitors to ensure coverage of the evaluation areas that interest their organizations. The following organizations will appoint representatives as members of the ATRB:

<u>Organization</u>	<u>Title/Position</u>
ESC/NDB or NDW	Chairperson
ESC/ND-TD	SND C2 SPO Technical Director
ESC/NDWF	Program Manager
ESC/NDB	Global Warning Representative
ESC/NDW	Global Awareness Representative
ESC/NDK	PCO
AFSPC/DO*	Using Command Representative
ESC/NDWF	Recorder (non-voting)
*Representative for all AFSPC organizations, including 21 st SW	

2.4 Recorder. The ATRB Recorder is a non-voting member of the ATRB who will coordinate the administrative actions required by the performance monitors, the ATRB, and the TDO, including: (1) receipt, processing, and distribution of evaluation reports from all required sources; (2) scheduling and assisting with internal evaluation milestones, such as briefings; and (3) accomplishing other actions required to ensure the smooth operation of the Award Term process.

2.5 Program Manager. The SENSOR Program Manager will be assigned with the responsibility for coordinating the evaluation inputs from the performance monitors for the Award Term period. The Program Manager will ensure that the evaluation comments are consistent with the evaluation criteria, and will consolidate similar comments to resolve conflicts among performance monitors, ensuring a clear, coordinated Government position is presented to the ATRB Chairperson and to the TDO.

2.6 Performance Monitors. The success of the SENSOR incentive program will depend on the quality of the Performance Monitors. Performance Monitors will usually have an area of special interest or skill, and most often will focus their evaluations in these areas. In all cases, Performance Monitors should be knowledgeable of the contract requirements, periodically engage with the SENSOR Contractor to assess performance accurately, and be trained on the evaluation process and criteria. As the initiators of evaluation comments, the performance monitors will: (1) gather data concerning the Contractor's performance in their area of responsibility; (2) evaluate performance against the criteria and maintain written records of the Contractor's performance against the criteria provided in this plan; and (3) provide written evaluation comments to the Program Managers for each feedback cycle and at the end of each evaluation period.

2.7 Procuring Contracting Officer (PCO). The PCO will: (1) ensure that the entire Award Term process is conducted according to the requirements in the contract clause and this plan; (2) contractually implement the Award Term determinations of the TDO; and (3) notify the Contractor in writing of any changes in the plan, including evaluation criteria.

3.0 AWARD TERM PROCESS

3.1 Available Award Term-Points. The Contractor's performance against the Award Term criteria will be evaluated at the end of the first year of contract performance. Award term points will be awarded based on the Contractor's performance during each annual evaluation period. The available Award Term points for each evaluation period are shown in Annex B. An accumulation of positive 100 points (+100) is required for a one year Term extension of the contract and an accumulation of negative 100 points (-100) results in the decrease in the contract performance period of one year.

3.2 Evaluation Criteria. The Award Term criteria are provided in Annex C. If the PCO does not provide specific notice in writing to the Contractor of changes to the evaluation criteria NLT 60 calendar days prior to the start of an evaluation period, the same criteria from the preceding period will be used in the next evaluation period. Any changes to the criteria will be made in accordance with paragraph 4.0 of this plan.

3.3 End-of-Period Evaluations. The ATRB Recorder notifies each ATRB member and performance monitor 15 calendar days before the end of the evaluation period. Performance monitors will submit their evaluation reports to the ATRB 15 calendar days after the end of the evaluation period, through the Recorder. The ATRB prepares its evaluation report and recommendation of an Award Term grade and earned points. The ATRB briefs the evaluation report and recommendation to the TDO. At that time, the ATRB may also recommend any significant changes to the Award Term Plan for TDO approval. The TDO determines the earned Award Term points for the evaluation period, and then sends a TDO letter to the Contractor not later than 45 calendar days after the end of the evaluation period to provide the results and cumulative Award Term points, and provide feedback as specified in paragraph 2.1. When enough points have been accumulated to warrant adding or subtracting years, the Contracting Officer issues a contract modification authorizing Award Term adjustment within 60 calendar days of the end of the evaluation period. (Reference Annex D for examples)

3.4 Contractor's Self-Assessment. As part of the end of period evaluation process, the Contractor may submit a self-assessment briefing to the PCO within five business days after the end of the period, and present the briefing to the ATRB at the scheduled date/time. This briefing will be 30 minutes or less, not including the time for questions and answers. The self-assessment briefing shall address the Contractor's performance on a program basis, assessing their performance against the same evaluation criteria as defined within this plan and its annexes. It may also contain any information that may be reasonably expected to assist the ATRB in evaluating the Contractor's overall performance. The Contractor may also be invited to attend the ATRB briefing to the FDO and at the option of the TDO, present their self-assessment briefing. However, the Contractor will not participate in the final ATRB/TDO deliberations and term decisions by the TDO.

3.5 Off-Ramp. If at the conclusion of an annual evaluation period there are only two years of Term or less left on the contract, or if the Contractor receives two consecutive years of (-100 to -150 points) then the Off-Ramp process will be initiated. The Off-Ramp process will entail a two-year transition period during which the Government will require the Contractor to develop baselines that define the current state of the systems, and plan for a transition to another contract.

3.6 Award Term Points Rollover. Award Term points rollover is a process in which points remaining beyond those earned and credited toward additional term period in one year are automatically carried forward for inclusion in the next subsequent Award Term period. On the SENSOR contract, rollover points are defined as points exceeding those required to make contract adjustments. Rollover points are cumulative from year to year, and are made as part of each TDO annual determination. Should accumulated rollover points, plus points earned in a given period, reach +200, the Contractor will earn a two-year term extension. Only one year of term can be taken away from the contract regardless of the number of negative points for any evaluation period. Lastly, any Award Term points that have not been earned or rolled forward are not available in the future.

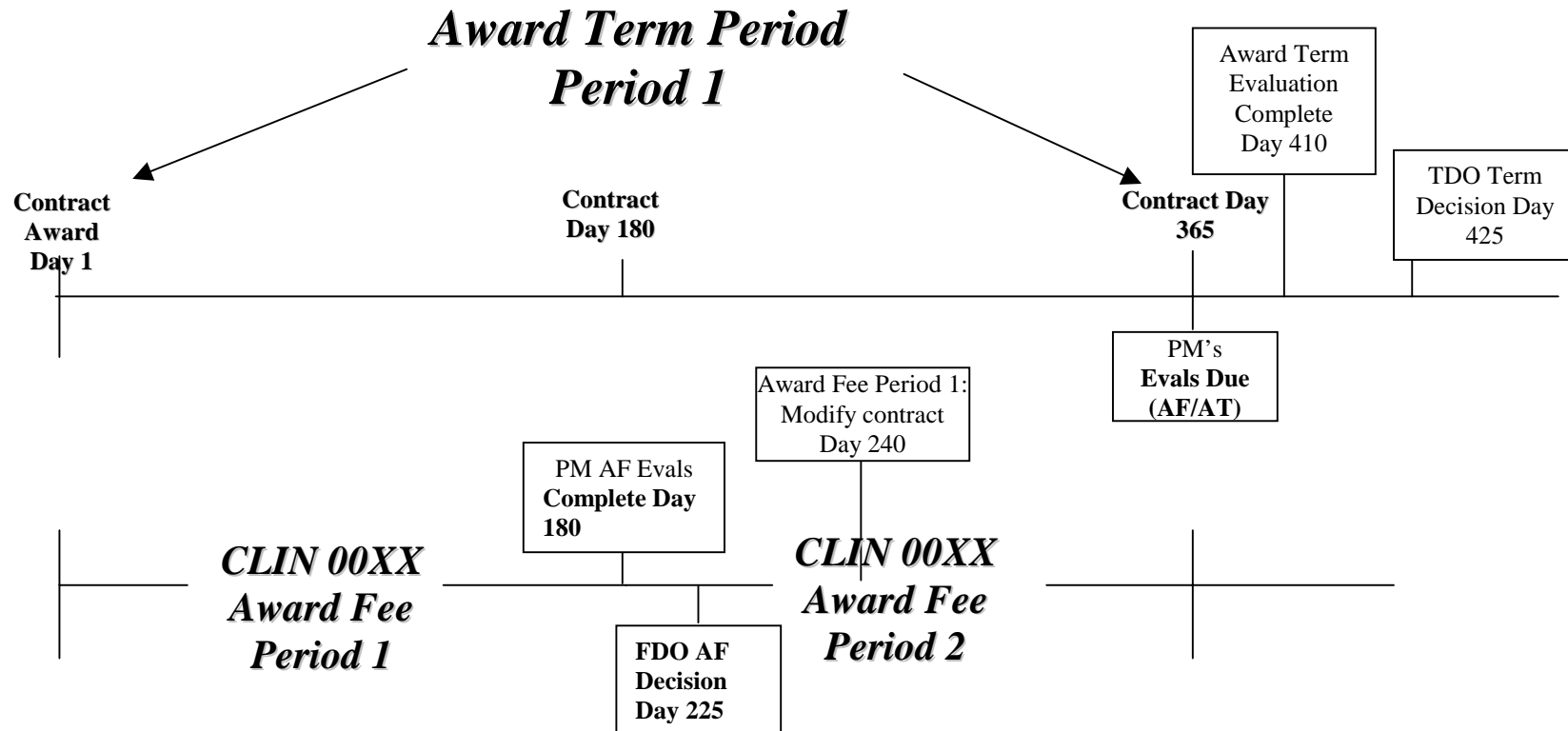
4.0 AWARD TERM PLAN CHANGE PROCEDURE

Changes to the Award Term plan will be made by bilateral agreement to the greatest extent possible prior to the period in which the change will be effective. However, the Government reserves the right to make such changes unilaterally IAW special provision ESC H1, SENSOR Integrated Incentives. Changes affecting the current evaluation period must be made via bilateral agreement. The Contractor may recommend changes to the PCO no later than 90 days prior to the beginning of the new evaluation period. If approved, the PCO shall notify the Contractor in writing of any changes.

5.0 ANNEXES:

- A. Incentive Program Strategic Schedule
- B. Award Term Point Allocation by Evaluation Periods
- C. Evaluation Scoring and Criteria
- D. Example Award Term Calculation

ANNEX A – INCENTIVE PROGRAM STRATEGIC SCHEDULE EXAMPLE



ANNEX B - AWARD TERM POINT ALLOCATION BY EVALUATION PERIODS

The Award Term earned by the Contractor will be determined at the completion of evaluation periods shown below. The Award Term points shown in Table 1 below corresponding to each period are the maximum available Award Term points that can be earned during each period.

Table B-1			
Evaluation Period	From	To*	Available Award Term
One	Contract award	30 Nov 2002	(-) 150 to (+) 150 points

*Assuming the Contractor earned additional performance years, there are no Award Term evaluations necessary for last two years of the contract.

ANNEX C - EVALUATION SCORING AND CRITERIA

Table C-1			
Award Term Criteria	Year 1	Period 2	Evaluation Method
- Performance (based on award fee results) -- Technical -- Management (e.g., including Contract closeout) -- Cost	±60pts ±40 ±10 ±10	±60pts ±40 ±10 ±10	Quantitative-100%
- Integration -- Projects successfully integrate with the long term modernization vision -- With other contractors and within SENSOR team -- Cross system interoperability	±40pts	±40pts	Qualitative-100%
- Implement, maintain, and improve the Government's OSS&E program -- Measurement & Analyses -- Necessary Certifications -- Processes Baseline	±50pts	±50pts	Quantitative-35% Qualitative-65%
Maximum points available	±150pts	±150pts	

1. Performance Scoring Methodology

1.1 Quantitative Award Fee Measures: The three quantitative measure results from the Award Fee (AF) evaluations conducted during the Award Term period (Technical, Management, and Cost Performance), will be averaged to determine the rating (%) to be applied to the maximum points available from Table C-1 above. Therefore, to determine the points earned for the three quantitative measures, multiply the average percent result for the annual period for each measurement area by the available points for each measure, shown as an example in the Table C-2 below.

Example: Tables C-2 and C-3 demonstrate how Award Fee results are integrated into the Award Term criteria to determine the points earned. Award fee results examples are shown in Table C-2. These averages are inputs to Table C-3. When Award Fee results are available from both CLIN 00XX and 01XX Award Fee evaluations, the numbers in Table C-3 would be averaged to determine the final award points for this evaluation area. In the example shown, 55.8 and 55.4 will be averaged to determine the final points earned. (Point results will be rounded to nearest whole number).

Table C-2					
Annual Award Fee Results Example					
		Period 1	Period 2	Period 3	Ave Yr 1
Sustainment (CLIN 00XX)	Tech	90%	95%	n/a	93%
	Mgt	90%	95%	n/a	93%
	Cost	90%	95%	n/a	93%
		Event	Event	Event	Ave/Events
Mod Projects (CLIN 01XX)	Tech	90%	95%	92%	92%
	Mgt	95%	95%	92%	94%
	Cost	90%	95%	92%	92%

Table C-3			
Award fee results converted to award term points (example)			
		Formula AF Ave x Max Points	Award Term Points
Sustainment	Technical	.93 x 40	37.2
	Mgt	.93 x 10	9.3
	Cost	.93 x 10	9.3
Points earned this term period for CLIN 00XX			55.8
Mod Project	Technical	.92 x 40	36.8
	Mgt	.94 x 10	9.4
	Cost	.92 x 10	9.2
Points earned this term period for CLIN 01XX			55.4
Average Points Earned for this period (rounded to nearest whole number)			56

2.0 Integration Scoring Methodology

2.1 Qualitative Measures. Performance monitors will assess Contractor's performance via personal observations, reviews, and evaluations. The primary measurement criteria will be the value to the Government of Contractor quality of effort brought to bear on accomplishments, and the detriment to the Government of inadequate, incomplete or late accomplishment of program tasks. The qualitative evaluation will also include consideration and documentation of mitigating circumstances and the causes of significant delays or problems. Performance Monitors will determine a performance level rating, and associated point value within the applicable range, for each rating area assigned, and then provide that to the ATRB Recorder within the required timelines established earlier in the plan.

Excellent

- Projects developed and implemented were successfully integrated with the long-term modernization vision proposed. The Government received tangible or intangible benefits in the form of improved quality, responsiveness, cost economy, increased timeliness, or greatly enhanced effectiveness of operations with the integration of each project.
- The Contractor develops, implements, and maintains a comprehensive, integrated schedule for all SENSOR systems engineering and business management activities. Additionally, the Contractor adjusts schedules and program activities to accommodate new/changing priorities while minimizing adverse impacts to the Warfighter and program. The Integrated Master Schedule (IMS) consistently reflects the current evolution of the SENSOR system. The Contractor consistently integrates the efforts of all subcontractors and vendors within SENSOR team to achieve successful products / results.
- The Contractor has implemented a robust and comprehensive set of activities that enable successful integration with key external contractors (e.g. NMD, ISC2, and OM&S). Associate Contractor Agreements (ACAs) are in place and highly effective, and products / results from the SENSOR Contractor's integration efforts directly relate to enhanced cross system interoperability.

Very Good

- Projects developed and implemented are often integrated with the long-term modernization vision proposed. The Government received some tangible or intangible benefits in the form of improved quality, responsiveness, cost economy, increased timeliness, or some enhanced effectiveness of operations with the integration of each project.

- The Contractor develops, implements, and maintains a current, integrated schedule for all SENSOR systems engineering and business management activities. Additionally, the Contractor adjusts schedules and program activities to accommodate new/changing priorities while managing risks affecting the Warfighter and program. The Integrated Master Schedule (IMS) often reflects the current evolution of the SENSOR system. The Contractor often integrates the efforts of all subcontractors and vendors within SENSOR team to achieve successful products / results.
- The Contractor has implemented a very good set of activities that enable successful integration with key external contractors (e.g. NMD, ISC2, and OM&S). Associate Contractor Agreements (ACAs) are in place and somewhat effective and products / results from the SENSOR Contractor's integration efforts lay the foundation for achieving enhanced cross system interoperability.

Good

- Projects developed and implemented were integrated with the long-term modernization vision proposed. The Government received at least a few tangible or intangible benefits in the form of improved quality, responsiveness, cost economy, increased timeliness, or enhanced effectiveness of operations with the integration of each project.
- The Contractor develops, implements, and maintains an integrated schedule for all SENSOR systems engineering and business management activities. Additionally, the Contractor adjusts schedules and program activities to accommodate new/changing priorities and reports on impacts to the program. The Integrated Master Schedule (IMS) reflects the current evolution of at least the key SENSOR systems/subsystems. The Contractor at a minimum integrates the key efforts of subcontractors and vendors within SENSOR team to achieve acceptable products / results.
- The Contractor implements processes and activities that enable at least some integration with key external contractors (e.g. NMD, ISC2, and OM&S). Associate Contractor Agreements (ACAs) are in place and products / results from the SENSOR Contractor's integration efforts provide the ability to achieve a limited level of cross system interoperability.

Unsatisfactory

- The Contractor fails to meet the criteria for any of the above levels of performance.

2.2 Qualitative Measures Scoring

Table C-4				
AREA	Excellent	Very Good	Good	Unsatisfactory
Integration	+30 to +40	+20 to +29	0 to +20	-1 to -40

To determine the earned points for the qualitative measures, the ATRB Recorder will average the points voted on by the ATRB members. These results will then be reviewed by the ATRB for development of a final recommendation to the TDO.

3. Measure the implement, maintain, and improve the Government's Operational Safety, Suitability and Effectiveness (OSS&E) program

3.1 Quantitative measurement and analyses

The Contractor will propose a set of key OSS&E baseline metrics that will become the basis for tracking the implementation, maintenance, and improvements that will benefit the Government. The Contractor's proposed baseline metrics will be categorized into the following three areas:

- Performance Metrics

- Product Metrics
- Process Metrics

3.2 Qualitative Measures to Implement, Maintain, and Improve the Government's OSS&E program.

The Contractor's OSS&E process must receive the necessary certification and be integrated with the overall SENSOR OSS&E Implementation Plan as approved by the SENSOR Program Office.

Excellent

- Contractor implements and maintains an overarching process that fully supports the viability of the SENSOR OSS&E program and fully complies with AFI 63-1201 and AFMCI 63-1201.
- Contractor consistently plans and conducts periodic internal self-assessments, external audits, and re-certification to ensure the OSS&E program adheres to the most rigorous standards.
- Contractor's key OSS&E processes and associated baselines are fully documented, reviewed on a periodic basis, implemented, and followed in a disciplined manner by all Contractor and subcontractor personnel.
- Contractor demonstrates excellent SENSOR product baseline and configuration management expertise including hardware, software, and tools used to manage each system's baseline. Additionally, the Contractor consistently demonstrates proactive expertise in identifying and working with issues associated with multiple baselines. SENSOR Baseline Configuration Management reports and products are consistently current, accurate, and available on or before the established need dates.
- Contractor implements and maintains a highly effective data management program that addresses all aspects of the SENSOR systems. This includes technical manuals, engineering drawings, specifications and standards, and all other technical data sources used in supporting the SENSOR program.

Very Good

- Contractor implements and maintains an overarching process that reasonably supports the viability of the SENSOR OSS&E program and complies with the intent of AFI 63-1201 and AFMCI 63-1201.
- Contractor conducts periodic internal self-assessments, external audits, and re-certifications as needed to ensure the OSS&E program adheres to rigorous standards.
- Contractor's key OSS&E processes and associated baselines are documented, reviewed on a periodic basis, implemented, and followed by all Contractor and subcontractor personnel.
- Contractor demonstrates very good SENSOR product baseline and configuration management expertise including hardware, software, and tools used to manage each system's baseline. Additionally, the Contractor often demonstrates proactive expertise in identifying and working with issues associated with multiple baselines. SENSOR Baseline Configuration Management reports and products are often current, accurate, and available on or before the established need dates.
- Contractor implements and maintains an effective data management program that addresses at least key aspects of the SENSOR systems. This may include technical manuals, engineering drawings, specifications and standards, and other technical data sources used in supporting the SENSOR program.

Good

- Contractor implements and maintains an overarching process that supports the SENSOR OSS&E program and complies with at least the key requirements of AFI 63-1201.
- As required, the Contractor conducts internal self-assessments, external audits, and re-certifications to determine if the OSS&E program adheres to most standards.
- Contractor's key OSS&E processes and associated baselines are documented, reviewed occasionally, implemented, and followed by most Contractor and subcontractor personnel.
- Contractor demonstrates good SENSOR product baseline and configuration management expertise including hardware, software, and tools used to manage each system's baseline. Additionally, the Contractor occasionally demonstrates proactive expertise in identifying and working with issues associated with multiple baselines. SENSOR Baseline Configuration Management reports and products are somewhat current, accurate, and available at least on the established need dates.
- Contractor implements and maintains a reasonably effective data management program that addresses the minimum key aspects of the SENSOR systems. This may include technical manuals, engineering drawings, specifications and standards, and other technical data sources used in supporting the SENSOR program.

Unsatisfactory

- The Contractor fails to meet the criteria for any of the above levels of performance.

3.3 Qualitative Measures Scoring

Table C-5				
AREA	Excellent	Very Good	Good	Unsatisfactory
OSS&E	+33 to +25	+18 to +24	0 to +18	-1 to -33

ANNEX D - EXAMPLE AWARD TERM CALCULATION

Award Term Quantitative Results (Averaged for the Annual Term Period):

Measure of Performance Award Fee Results	Max Points	Award Fee Results	Points Earned
Technical	±40	92.5%	+37
Management	±10	93.5%	+9.4
Cost Performance to Estimate	±10	95%	+9.5

Award Term Results

Measure	Max Points	Point Range	Rating Result	Point Results
Integration	±40	+20 to +29	Very Good	+25
Implement OSS&E - Quantitative	±17	N/A	15	+15
Implement OSS&E - Qualitative	±33	+25 to + 33	Excellent	+30

Earned Award Term Points (Rounded)	+126
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Overall Result:

1 Term year added to contract performance period
+26 Points rolled-over to next year's assessment